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SUMMARY RECORD OF THE 13th MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 5 May 1992, at 3.00 p.m.

President: Mr. BREITENSTEIN (Finland)

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The meeting was called to order at 3 p.m.

UNITED NATIONS POPULATION FUND:

(a) ANNUAL REPORT OF THE EXECUTIVE DIRECTOR FOR 1991 AND PROGRAMME-LEVEL ACTIVITIES

(b) COUNTRY PROGRAMMES

(c) FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS (agenda item 7) (continued) (DP/1992/24, parts I, II and III, and DP/1992/25-34)

1. Ms. SCHJERVEN (Norway) said that UNFPA's rolling four-year work plans gave a picture of the Fund's financial status and, to some extent, of its general priorities. Her delegation would have welcomed a more analytical report, but it was quite clear that there was little reason for optimistic income projections. The population issue was a crucial one and, speaking as the representative of the Government with the world's highest percentage of ODA channelled to population issues, she urged other donors to increase their donations to the population field and expressed the hope that the United States would shortly be in a position to resume its contributions to UNFPA.

2. The provision of increased resources was extremely important, since greater awareness in many developing countries of the advantages of family-planning, both for society and the individual, had created a demand for family-planning services which should not be allowed to remain unsatisfied.

3. Her delegation noted that the work plan referred only to activities funded from UNFPA's general resources, which constituted about 95 per cent of the total resources. Her Government proposed, in the future, the inclusion also of multi/bilateral-financed activities, since those activities had become an integral part of the country-programming process. Subject to those comments, her Government endorsed in general the priorities expressed in the work plan and the recommendations contained in paragraph 32 of the Executive Director's report (DP/1992/26).

4. Ms. MAGUIRE (United States of America) said that her delegation endorsed the UNFPA work plan for 1993-1996 and the specific recommendations in paragraph 32 of the report. It was gratifying that UNFPA proposed to maintain country services at 68 per cent of the budgeted level in spite of the decline in funding. There was a growing demand for family-planning services in the developing world which it would be wrong not to meet. Education, information and communication services should also be monitored closely to ensure increased access to family-planning services. USAID looked forward to continued cooperation with all interested agencies in the future.

5. Ms. PRADEL (Germany) said that her delegation was greatly concerned that income projections appeared to reflect an element of wishful thinking rather than realistic estimation. The resulting disappointment could not but give rise to frustration in the recipient developing countries. The figure of an 8 per cent increase in contributions put forward in the report for the

complete period masked variations in the rate from year to year, which was confusing. Her delegation would also prefer to see the estimated figures given in national currencies rather than in United States dollars as a basis for the increase in contributions.

6. On the general issue of contributions, it might be better if UNFPA were to present population as a success story rather than as a disaster, concentrating on favourable evaluation results, the improvement in financial monitoring, global successes in the population sphere and on the core of its mandate, namely, family planning.

7. Table D revealed a downward trend in family-planning services from 1988 to 1991, a decrease which had not been compensated for by the increase in information, education and communication (IEC), since the combined figure for family planning and IEC also revealed a downward trend. That trend would have to be scrutinized carefully when any future increases in contributions were being considered. UNFPA should make it clear to donors that population was neither an altruistic fancy nor of concern to women alone, but an issue which posed an overall threat to humankind.

8. Mr. KITATANI (Deputy Executive Director (Policy and Administration), UNFPA) said that the points raised by the representatives of Norway, the United States and Germany with regard to expenditure control were well-taken, and measures would be adopted to ensure more effective control. The members of the Council could rest assured that family planning and IEC would remain the cornerstone of UNFPA activities in the future.

9. With regard to the reference by the representative of Germany to an 8 per cent annual rate of increase as unrealistic, any lower figure would not take account of global inflation. On the basis of past experience, 8 per cent appeared to be a practical figure for planning future activities. The suggestion that the required increases in contributions should be estimated in national currencies was, unfortunately, not a feasible one, since the donor countries themselves nearly always converted their contribution figures into United States dollars. Strengthening of the APSS budget, on the other hand, would be warmly welcomed by the Fund.

10. In reply to a question by the representative of Canada, he said that accountability was generally accepted to mean that the resources entrusted to the UNFPA must be used effectively, efficiently and economically and that the Executive Director was required by the Governing Council to explain how those resources were used. Since authority was decentralized to country level, every official of the Fund was expected to participate in the control and financial monitoring procedure on the use of those resources.

11. Ms. SADIK (Executive Director of UNFPA) thanked the members of the Council for their constructive suggestions and for the many positive comments they had made on the State of World Population Report, 1992. They emphasized the importance of taking immediate and determined action to balance population, consumption and development patterns. That report had been released in 60 developing countries in 1992 and UNFPA expected to be able to

release it in an increasing number of such countries every year. In addition, it had been released in a number of developed countries and had been translated into 21 local languages.

12. On resource mobilization, the comments of the representatives of Malaysia, Indonesia, Cuba and China on the decreased resource levels for their country programmes had been noted, and they could rest assured that UNFPA for its part, regretted the decrease and was doing its utmost to increase its resources so as to make the required resources once again available to the countries concerned.

13. It had been heartening that so many delegations, including those of many developed countries, had stressed the importance of mobilizing additional resources in keeping with the goals and objectives identified in the Amsterdam Declaration. The comments made by the representative of the United Kingdom, in particular, might usefully be borne in mind by other delegations.

14. Comments on the UNFPA priority areas and which programme approaches should be pursued had varied. In fact, UNFPA was currently adopting a broad approach through which it addressed a number of concerns and promoted activities in data collection, demographic analysis, maternal and child health, family planning (MCH/FP), information education and communication (IEC) and programmes to address gender concerns and to improve the status of women. UNFPA intended to consider and examine those issues further in preparing a report on programme experience as an input to the International Conference on Population and Development. To judge by the discussion in the Council, the issue needed careful consideration and UNFPA would have to be guided by the collective opinion and wisdom of the Council, rather than by the individual points of view of any one delegation.

15. UNFPA would continue to give the highest priority to family planning in maternal and child health and related information and education programmes, which currently accounted for 65 to 70 per cent of its programmes. Provision of family planning alone would not be enough, however: awareness needed to be increased and attitudes changed, and socio-cultural studies carried out to ensure that the programmes responded to the specific needs and characteristics of a given country and subgroups within countries.

16. UNFPA fully endorsed the views of the United Kingdom and other delegations on the importance of quality and effectiveness of assistance, and increased attention would be given to those aspects, including financial monitoring.

17. With regard to the comments by the representative of Switzerland regarding the policy options chosen by the UNFPA to work with other organizations, resources were still needed for population activities even when the strategy pursued was to integrate population into existing programmes supported by others. In the education sector, for example, population-sector resources were required to develop curricula, and to keep teachers up to date with new material.

18. With regard to the comments on HIV/AIDS made by the representative of the Netherlands, UNFPA worked in very close cooperation with WHO/GPA and within the national strategies for HIV/AIDS prevention defined in that context. The status report on UNFPA AIDS-related activities was based on the questionnaires sent out to the field.

19. On the subject of migration, the views of the delegations of Switzerland, Germany, France, Bolivia and Japan had been noted. The sensitive political nature of the subject had been recognized and the matter was being pursued carefully, first of all at the technical level and perhaps, later on, at the policy level as well.

20. The comment made by the representative of Canada on the reproductive health of women as a basis for UNFPA's programme had been noted. That approach had been suggested to the Governing Council several years previously, but the Council had not been ready to accept it at the time. It might therefore be pursued in the review of programme experience and guidelines developed, with the agreement of the Council, as to how UNFPA should proceed in that area.

21. A number of delegates had stressed the important linkages between women's status and population and had reiterated their support for UNFPA efforts in that area. She fully agreed with the representatives of Canada and Italy that UNFPA needed to focus on the reproductive health of women and that, together with WHO and UNICEF, it had an important leadership role in that regard. The issue would be given more thought.

22. She agreed with the point made by the representative of Canada, and supported by the representative of Switzerland, about the large number of projects funded by UNFPA and the repercussions in terms of administrative overload. That aspect would be examined and the number of projects would be reduced or consolidated where possible. However, the number of projects quoted in the annual report was not entirely correct, as the reporting was based on components of projects when they were executed by different agencies. Strictly speaking, UNFPA had managed only about 1,300 projects in 1991.

23. On population and the environment, almost all delegations had referred to the importance of linkages between population, poverty, consumption patterns, resource depeletion and environmental degradation. In referring to the United Nations Conference on Environment and Development (UNCED), most speakers had mentioned the need to ensure that population issues, particularly family planning, were taken fully into account in the deliberations and recommendations of the Conference. UNFPA trusted that delegations would seek to ensure that that was done.

24. A number of UNFPA initiatives on coordination had been reviewed in her introductory statement and in various UNFPA documents. Nevertheless, as many delegations had pointed out, there was still room for improvement, especially at the country level. The Fund's cardinal role there was to strengthen government capacity and assist government action in the coordination field. A number of countries, Pakistan for example, were developing comprehensive

population policies and programmes and also explicit implementation strategies and UNFPA country directors had been called on to provide assistance in that regard, for example by chairing coordinating groups having as their terms of reference the examination of the population perspective. A crucial point in regard to coordination was that the governing bodies of other agencies and organizations should provide advice and guidance which was consistent with that provided to UNFPA through the Governing Council. UNFPA had, of course, a specific role in representing to others the importance of the population aspect.

25. Coordination with UNICEF, UNESCO and UNV was fully satisfactory. Operational targets would be set in future, as suggested by the representatives of Canada and the United Kingdom, and the possibility of another consultative committee would be considered. UNFPA was firmly committed to expanding collaboration with NGOs, particularly at the national level, and UNFPA team leaders had been instructed to identify regional institutions which could help with backstopping and with the execution of regional programmes.

26. In view of the comments made by many delegations on the forthcoming International Conference on Population and Development and the need for adequate preparation at all levels, she wished to point out that all Governments had been invited to undertake national preparatory activities, including an updated analysis of population trends, policies and programmes and an outline of the strategies and objectives to be pursued in the future. Five regional conferences were planned, to be organized by the regional economic commissions of the United Nations in cooperation with UNFPA and, at the international level, six expert group meetings and various other forms of consultation would be held. As the Swedish delegation had said, it would be necessary to clarify the conceptual framework of the substantive preparations for the 1994 Conference at an early stage.

27. The Governments of Canada and Belgium had announced their intention to contribute to the extrabudgetary costs of the Conference, for which UNFPA was indeed grateful. Additional funds were still needed for national priority targets in the developing countries as was financial assistance to the least developed countries to enable them to participate.

28. It was important to emphasize that it would be a United Nations conference, not a UNFPA one, and that its substantive preparations would involve all the units and organizations in the United Nations system. With the support of those organizations and units, the Conference could be sure of achieving the major objectives laid down by the Economic and Social Council. There would, no doubt, be a full discussion of the Conference and its preparatory activities at the forthcoming session of the Council.

29. With regard to the important issue of contraceptive needs and requirements, she was very pleased to acknowledge an additional major contribution recently announced by the Government of Sweden which would help to ensure that the basic costs would be fully covered for 1992-1993.

30. The comments of the representative of Malaysia on priority countries had been noted. UNFPA would carefully review and monitor allocations and expenditures to priority countries in all regions. The Canadian delegation had commented on the technical support services and she wished to stress that UNFPA had an important part to play in the new arrangement. The disciplines represented in the teams would be reviewed frequently and adjusted, if necessary, in the light of individual country needs. Some suggestions had been made concerning a general overhaul of the procedure. Since, however, the current review was only a progress report on the implementation of a previous Council recommendation, it might be advisable to await a final evaluation before making further changes.

31. Various delegations had emphasized the notable achievements of many countries in the population field. The Government of France, in particular, had undertaken a number of national-level activities to promote a better understanding of population issues. The Government of Indonesia was also to be congratulated on the passing of its population act, while Viet Nam had made notable progress in implementing a comprehensive population programme.

32. The positive comments made by many delegations on her annual report for 1991 were most gratifying. The proposal made by the Swiss delegation that the annual report should focus more on selected areas and provide an analysis of the lessons learned was a good one, but the existing format had been adopted in response to requests by members of the Council for reports on specific topics and a comprehensive overview of the Fund's activities for the year. Careful note had also been taken of the request by the representative of Sweden, on behalf of the Nordic countries, for more analytical documents. Every effort would be made in the future to ensure that UNFPA documentation provided a better reflection of the analytical processing of the Fund's work and the lessons learnt.

33. UNFPA sincerely appreciated the careful review and advice provided by the Governing Council. The Council's critical but constructive analysis of its work would afford the encouragement and guidance needed to meet the enormous challenges ahead. It was indeed extremely urgent to ensure the prompt and full implementation of population policies and programmes - coupled with vigilant monitoring of the effectiveness of those programmes in order to ensure that available resources were well spent. At the same time, the need for an appreciable increase in the resources available for population activities was a matter of urgency.

34. She felt bound to express, personally and on behalf of the UNFPA management, her sincere gratitude for the continuing hard work and dedication of all the Fund's staff. UNFPA, as a relatively small organization, was heavily dependent on the contributions of each and every staff member, in the field and at headquarters alike. The quality of work and the sustained efforts that characterized the UNFPA staff were a reason for pride.

35. She paid tribute to the strong support which she personally and the Fund generally had received from the new United Nations Secretary-General and his resolute advocacy of the population issue to donor countries. Only if donors

could see their way to honouring their many public commitments and declarations in favour of extended support for population programmes, would it be possible for the formidable challenges of the 1990s to be met.

36. The PRESIDENT said that the Council had concluded its discussion of all the substantive points under agenda item 7. If he heard no objection, he would take it that the Drafting Group should be instructed to prepare appropriate draft resolutions.

37. It was so decided.

PROGRAMME-LEVEL ACTIVITIES (agenda item 3)

(d) Human Development Report (DP/1992/13)

38. Mr. DRAPER (Administrator, United Nations Development Programme), introducing his report on the subitem (DP/1992/13), said that the 1980s had seen the human development concern move to the centre of the stage. It was increasingly being recognized that, while economic growth and human expansion were important, the true test of development was what it meant for people's lives.

39. The human development reports were intended to facilitate the exchange of information among Governments and their development partners on innovative, pragmatic and practical approaches to promoting human development. They offered to the world community the perspectives of a team of independent experts. They offered professional and frank advice - advice which policy makers could consider in their decision-making on development.

40. The 1990 report had examined the overall links between economic growth and human development. The 1991 report had looked more closely at one policy instrument that was critical to making an economy grow and filter down into people's lives through public spending on priority social programmes, on education, on health and on family planning. In addition, it had tried to establish the relationship between development and freedom. Both reports had stressed national responsibility for human development.

41. The 1992 report assessed the impact of global markets on people's lives. It underlined the need for reform of the systems governing the international markets in order to improve the economic opportunities of the poorest countries and people of the world. It was ironic that, while national markets were opening, global markets remained restricted. It was difficult to see where developing countries could sell their products unless global markets were also freed of protectionist restraints.

42. In 1960, the 20 per cent of the world's population that lived in nations with the highest per capita income were 30 times as well off than those living in the bottom 20 per cent. By 1989, that disparity had almost doubled to the extent that they were nearly 60 times as rich, according to the report. But that calculation was made on national averages; wide discrepancies existed within many countries. If the billion richest individuals in the world were

compared with the billion poorest, the ratio leapt to 150 to 1. UNDP was not trying to take more money from the rich but it was trying to enrich the poor, and that took a lot of work. It was not a zero sum game. There was growth in both parts of the world - the richest and the poorest.

43. The report made it clear that human development was a responsibility shared between the developing and developed countries. Both had their part to play and, to that end, the report also endorsed the existing proposal for a World Summit for Social Development. In that connection it used the term "human development summit" as it encompassed all aspects of development, including the social. The intention clearly was, however, to lend additional support to the proposal for a World Summit for Social Development, regarding which the Ambassador of Chile had been consulting nations on behalf of the Secretary-General.

44. Great progress had been made in improving understanding of human development, but much more needed to be done. That had been borne out by the regional consultations on the report, which had been convened in 1991 and earlier in the current year.

45. He looked forward to the Governing Council's debate on the agenda item and to its consideration of future work in the area of human development.

46. Mr. RADZI (Malaysia) said that his delegation had joined the consensus to the effect that the substantive debate on the report should be postponed. He would like confirmation that such a consensus existed.

47. The PRESIDENT said that it had been agreed that the debate on the issue should be postponed until later in the Council's session.

PROGRAMME PLANNING (agenda item 6)

(b) Matters relating to the programming cycles (DP/1992/22, 52, 53, 58-60 and 65-67)

48. Mr. TAL (Director, Planning and Coordination Office, UNDP), introducing the report of the Administrator on matters relating to the fourth and fifth programming cycles (DP/1992/22), said that sections I and II of the report responded to paragraph 2 of Governing Council decision 92/9 of 14 February 1992, which had requested the Administrator to prepare a detailed analysis of the resource outlook and its impact on indicative planning figures. Section I examined the resource outlook for the cycle, while section II dealt with proposed new and revised indicative planning figures, likely future requirements, and the impact of those total requirements on the unallocated resources for the cycle.

49. As stated in the report, UNDP had enjoyed annual increases in programme delivery in the past seven years, 1985 to 1991. That trend of continuous increases in programme delivery could not, however, be sustained. In 1991, the United States dollar had become substantially stronger, as compared to other major donor currencies, which had resulted in a reduction in the dollar-denominated assets held by UNDP, as well as in the dollar value of many

contributions. That, together with the fact that 1992 contributions had increased by only 4 per cent, as compared with the 8 per cent target established by the Governing Council, had necessitated a reassessment of the programming profiles for the next few years. Thus the IPF expenditure targets established for 1992 to 1996 were commensurate with the expected resource availability for those years.

50. Regarding the status of unallocated IPF established by the Council at $100 million for the cycle, the report provided information on requirements against that amount, including new IPFs and adjustments to existing ones. As the amounts for the adjustments exceeded the unallocated IPF resources for the cycle, the Administrator recommended to the Council that he should be authorized to incur a temporary limited expansion of the financial envelope for the cycle to accommodate those requirements. Adjustments to the IPFs and SPR would, if necessary, be postponed until the mid-term review had been carried out in 1994.

51. Section III of the report dealt with issues relating to net contributor countries. That section provided further information on the results of consultations with net contributor countries over and above those reported to the February special session of the Council in document DP/1992/6. The Administrator was pleased to inform the Council that the outcome of the consultations with the countries having net contributor status in the fifth programming cycle had been very positive. The spirit of the discussion with the respective Governments had been constructive and the outcome most encouraging. Those countries were interested in expanding their cooperation with UNDP, even though they would no longer be net beneficiaries of resources under the IPF system.

52. It was in that spirit of improved cooperation that the Administrator proposed that the Council should reconsider paragraph 8 of its decision 19/29 which stipulated that, for the purpose of calculating fifth programming cycle entitlements, the accounts for fourth-cycle obligations and payments would be finalized at 31 December 1991. Some Governments had made payments after 31 December 1991 and were continuing to make payments for 1991 and earlier years. The Council might, therefore, wish to consider extending the deadline for those payments until the end of 1992, when the final adjustments would be made to the IPFs of the countries with net contributor status.

53. Section IV of the report had been prepared as a follow-up to Governing Council decision 1991/29 concerning assistance to Yemen.

54. The Council also had for its consideration documents from several Governments applying for a recipient country status, namely, Republic of Moldova, Republic of Kazakhstan, Republic of Kyrgyzstan, Turkmenistan, the Russian Federation, the Republic of Uzbekistan and the Republic of Azerbaïjan (DP/1992/53, 58-60 and 66-68). The fifth-cycle IPFs for each of those countries had been calculated on the basis of fifth-cycle criteria adopted by the Governing Council in its decision 90/34 and were reflected in document DP/1992/22.

55. Mr. EL-FERJANI (Libyan Arab Jamahiriya) asked what criteria had been used in deciding not to attribute an IPF to the Libyan Arab Jamahiriya in the fifth-cycle programme.

56. Ms. SCHREFER-PREUSS (Germany) said that her delegation welcomed the conservative resource estimate for expenditure during the coming years of the fifth programming cycle, subject to a thorough examination at the time of the mid-term review in 1994, as suggested in paragraph 10 of the Administrator's report (DP/1992/22). On the other hand, it was greatly concerned about the intention of using the unallocated amount of $100 million for the fifth cycle and the Administrator's request to over-commit in the first year of the cycle. It wondered whether it would not be possible to maintain a considerable proportion of the unallocated account by making cuts in other expenditure categories, for example in the administrative budget.

57. With regard to paragraph 16 of the report and the $138 million supplement for the IPFs of the least developed countries, her delegation supported the recommendation that that amount should be distributed among all the LDCs and it would like UNDP to provide it with the corresponding calculations.

58. Mr. RADE (Netherlands) said, with reference to the Administrator's report (DP/1992/22), that his delegation agreed with the Administrator that a 4 per cent average growth rate for the fifth cycle was quite unsatisfactory. Many demands were being made on UNDP and it was logical that the agency would be able to make an adequate response to those demands only if it was provided with adequate resources. In that connection, it was hardly necessary to remind the Governing Council of the importance attached by his Government to the principle of burden-sharing.

59. That having been said, UNDP would have to live with the realities of the world, one of them being that the resources were growing at a rate of 4 per cent only. His delegation considered that it was a matter of sound book-keeping for UNDP to plan accordingly and it therefore welcomed the statement in the report that UNDP would, however reluctantly, use conservative resource estimates in order to ensure the financial viability of the programme.

60. On the distribution of the fifth-cycle IPFs and, in particular, on the way the five new least developed countries should be taken into account, his delegation would be prepared to support the proposal made by the representative of Germany that the $138 million should be distributed among all the least developed countries, rather than create two distinct categories of such countries. The main concern of his delegation was to avoid reopening the issue of the delicate political balance on the distribution of IPF resources. It fully accepted the fact that every country that was entitled to an IPF, and requested it, should indeed receive it. Against that background, it had no problem with the proposal contained in the report that the requests by a number of former Republics of the Soviet Union for IPFs should be granted. He would, however, ask UNDP to indicate on what basis it proposed to calculate the GNP for those countries, since that was not clearly explained in the document.

61. UNDP appeared to be of the opinion that an empty reserve fund at the beginning of the five-year cycle did not constitute a problem. While his delegation would not disagree with the view of UNDP on that point, it wished nevertheless to ask UNDP whether it would not be preferable, from a technical financial point of view, to find ways to regularize the reserve fund by very slightly diminishing by a fixed percentage all IPFs and the special reserve fund.

62. Ms. SUOMALAINEN (Finland), speaking on behalf of the delegations of Denmark, Norway and Sweden as well as her own, said that the Nordic countries were among those delegations which in 1990 had cautioned against adopting an ambitious growth percentage of 8 per cent as the basis for calculating the resources available for the fifth cycle. The seemingly low priority of UNDP when financial decisions concerning United Nations contributions were made in many member countries had led to a smaller increase in UNDP's resources in 1992 than had been anticipated.

63. The Administrator argued that the 4 per cent growth level was inadequate. However, the reality was that, given the current situation, even the 4 per cent growth rate might be regarded as on the high side. As the fifth cycle had started with such a low growth, the situation called for realism in financial planning of the whole fifth cycle of activities. The Nordic countries would therefore urge all members to participate in more equitable burden-sharing in UNDP as the central organization of United Nations operational activities.

64. In that situation, it was important that UNDP should intensify its efforts to improve the efficiency and quality of its activities, in order to attract more voluntary contributions. Only by proving the value and high impact of its projects and programmes could UNDP expect an increase in those contributions.

65. The Nordic countries supported the proposal of the Administrator that the resource situation should be examined during the mid-term review and that the Council should consider the possible need for adjustment of IPFs at that stage. It was, however, essential that planned expenditure levels from core funds were estimated as accurately as possible. The Nordic countries trusted that UNDP would be able to manage its resources in a realistic way.

66. The Nordic countries would like to acknowledge the requests by the Republic of Moldova, the Republic of Kazakhstan, the Republic of Kyrgyzstan, the Republic of Turkmenistan and the Russian Federation to become recipient members of UNDP. To attain recipient status, any new countries must qualify for assistance from UNDP according to the criteria set out in decision 90/34. As that was the case, the Nordic countries welcomed the inclusion of the applicant countries as recipient members of UNDP.

67. The Nordic countries placed the least developed countries among the highest priorities of UNDP. The Governing Council had stipulated, in its decision 90/34, that at least 55 per cent of IPF resources should go to the least developed countries. It was the firm view of the Nordic countries that that Council decision should not be renegotiated.

68. The Nordic countries attached considerable importance to the maintenance of the reserve. Given the circumstances, however, they were able to go along with the Administrator's proposal to postpone a formal adjustment until 1994.

69. Governing Council decision 90/34 clearly stated that the Administrator was to reduce the IPFs and SPR on a proportional basis, in the event that fifth-cycle resources fell short of the indicatively set target. An IPF was truly an indicative figure, used to help the budget planning of countries in their planning exercise for country plans. In cases where resources fell short, it was merely a technical exercise to adjust the IPF accordingly.

70. Mr. MUKAI (Japan) said that the outlook for the fifth cycle was not encouraging but the mid-term review would provide an opportunity to look at the situation again. In the meantime, the Administrator's suggestion of a conservative approach to expenditure was appropriate.

71. In the view of his Government, the following principles should be observed in deciding the allocation of IPFs to the least developed countries, including those which had recently been accorded recipient status. Firstly, original and new recipients should be treated alike. Secondly, in the fifth cycle resource allocation to the least developed countries should be in accordance with the spirit of Governing Council decision 91/34. The allocation of $138 million to supplement the IPFs for the least developed countries should remain intact, but the sum should be distributed appropriately among both the traditional and the new least developed countries. Thirdly, the Governing Council should apply paragraph 38 of its decision 91/34 if resource growth in the fifth cycle was insufficient to meet the estimated IPFs.

72. The Administrator's proposal to defer the calculation of resource allocations to 1994, on the occasion of the mid-term review, would create an unhealthy situation in that there would be no reserve for possible adjustment of resources for future participants. His delegation recognized, however, that there were merits in that proposal and would be willing to participate in further discussions on the issue.

73. Mr. JAZINSKI (Poland) said that his delegation joined those in favour of the Council's approving a recipient status and IPFs for the eight countries in question, in accordance with their applications and the proposals made by the Administration. The applications were in keeping with Council's decisions 90/34 and 92/8 and the countries' sovereign right to seek assistance from the United Nations system in their efforts to promote human development in the extremely difficult conditions facing their economies.

74. The documentation prepared for the current session revealed clearly the enormity of the task to be undertaken by the Governments concerned, and the international community should, in a spirit of solidarity, endeavour to ensure that the transformation of the economies of the countries in question took place in an orderly and cost-effective manner.

75. UNDP could provide the type of assistance which was most suitable and could mobilize additional internal and external resources, not only in terms of funds but also in terms of the experience of others. His own country, which was in great need of assistance, was willing to share its experience with the newly independent countries.

76. Mr. SOLEN (Turkey) said that his Government attached great importance to the provision of assistance to the newly independent Republics of the former Soviet Union in their transition to a market economy and democracy. Aware of the difficulties faced by those countries, it recognized the need to share its own experience with them on a bilateral basis, in order to help them achieve the desired degree of economic, social and political development.

77. However, the importance of assisting the newly independent States at the multilateral level, within the United Nations system, should not be overlooked. UNDP, with its comparative advantages, experience and skills, was fully able to provide and organize the assistance needed by those Republics. His Government reiterated its support for the granting of recipient status to the Baltic States, Ukraine and Belarus. It welcomed the applications made by the eight other newly independent Republics and urged the Council to confer IPF status on them also.

78. Mr. NICULESCU (Romania) said that his delegation supported the application for recipient status by the eight newly independent States of the former Soviet Union. From its own experience, his Government was well aware of the importance of UNDP assistance to those countries in the transition from a totalitarian regime to a democratic one. The assistance provided by UNDP should relate to important issues - including privatization - in which UNDP had gained considerable experience.

79. With regard to the Administrator's report (DP/1992/22), his delegation concurred with the recommendation that the formal adjustment to the fifth cycle should be postponed until the mid-term review in 1994.

80. Mr. BLUKIS (Latvia), speaking on behalf of the delegations of Estonia and Lithuania as well as his own, said, with regard to the communication requesting recipient status for CIS members, that the Baltic countries extended a warm welcome to them and considered that their membership of UNDP would be a reaffirmation of the principle of universality. That principle also required that those countries be granted IPFs on the basis of information to be presented by the Administrator, in accordance with the standards and methods followed by UNDP for all countries.

81. The Baltic countries fully approved of the instructions given by the Governing Council to the Administrator in February 1992 to ensure the maximum cost-effectiveness of assistance accorded to new members.

82. Noting the traditional flexible UNDP response to the particular needs of recipient countries, the Baltic delegations wished to point out that all but one of the new applicants, like the Baltic States, had special needs. Since their experience of bilateral and multilateral relations was quite limited,

they required a disinterested UNDP presence to assist them in the planning and privatization of aid flows. By recognizing the special needs of the newly independent or inexperienced countries, the Governing Council would be adopting an approach much used in the 1960s and 1970s. In that connection, he referred to the statement in General Assembly resolution 2688 (XXV) concerning newly independent countries whose lack of administrative infrastructure had prevented them from taking proper advantage of programme assistance.

83. It was to be expected that the experience gained by UNDP in assisting the East European and CIS countries engaged in the transition from centralized management to a market economy would stand it in good stead in respect of its programmes in developing countries, especially those passing through a similar transition process.

84. Ms. DOWSETT (New Zealand) said her delegation agreed that the applications submitted by eight members of the CIS should be processed in accordance with the agreed criteria and that IPFs should be allocated, as appropriate. It fully recognized the need of the CIS members for international assistance. The establishment of recipient status was separate from the question of establishing a UNDP presence in the CIS, which was to be considered under agenda item 11. The pressure which the new allocations would place on the already strained UNDP resources underlined the need to ensure that the question was given full and careful consideration.

85. Ms. GAYOSO (United States of America) recalled that her delegation had requested some additional information from the Secretariat concerning foreign exchange rates and administrative budget levels. It was still awaiting that information and her remarks would therefore be of a provisional nature.

86. With regard to the Administrator's report (DP/1992/22), it was important to distinguish between indicative planning figures and actual expenditure. UNDP would perforce have to maintain its expenditure at the lower level suggested by the slow-down in the growth of contributions. While her delegation did not think it necessary for UNDP to adjust its figures for the IPFs and SPR immediately, the Administrator should prepare a detailed analysis of the matter and make specific proposals for action by the Governing Council.

87. It would also be useful to all Council members if UNDP could give some indication of the assumptions used to produce the projections of a 4 per cent growth rate. Since decision 90/34 had included a figure for UNDP's administrative budget that had assumed a 6 per cent annual growth rate for the administrative budget and an 8 per cent planning figure for programmes, ways should be found of reducing the projected administrative expenditure to at least the 4 per cent rate if not below it. Her delegation understood that UNDP had already made reductions along those lines in its proposed budget figures and would carry them into the biennium budget. The matter would, of course, be discussed in greater detail in the Budget and Finance Committee.

88. The Governing Council should take a technical decision regarding the issue of country IPF allocations at its current session. While it should preserve and protect the compromise reached in decision 90/34 and, in particular, keep the principles of that decision intact, there were a number

of technical problems which needed to be resolved in anticipation of the sixth cycle. For example, UNDP had issued the $130 million supplement for the least developed countries prematurely, since the IPFs for the LDCs amounted to more than the required 55 per cent. While her delegation was aware of the feeling among some delegations that, in view of the new list of LDCs, the 55 per cent share was too low, it remained concerned that, by issuing that supplement, UNDP would eventually have to draw down the reserves set aside for the IPFs beyond the total reserves set aside for the whole cycle.

89. UNDP should not use up its entire IPF reserve so early in the cycle. The decision to be taken by the Council should therefore ensure that at least 80 per cent of the reserves, were retained for unexpected requirements arising in the last four years of the cycle. The Council's decision should also resolve the technical difficulties which had arisen in implementing allocations during the current cycle, in order to avoid a recurrence of the problem in the sixth cycle. The Council's decision should therefore establish the principle that IPFs were set firmly on the first day of a cycle, and that any figure issued prior to that day would be merely tentative.

90. Moreover, new recipients of the programme had hitherto received the full amount allocated for the cycle, regardless of the date on which they had been accepted as LDCs. If a country came in half way through the cycle or in the last year of the cycle, the amount of IPF to which it was entitled should be determined on a pro rata basis. In addition, allocations for countries which were expected to apply for recipient status but had not yet done so should not be removed from the reserve but should remain in it until an application had been made and a decision taken. Since current UNDP projections indicated that reserves would grow at half the expected rate, her Government could not agree to authorize UNDP to programme above the already optimistic 8 per cent growth rate. Consequently, the proposals for overprogramming were unacceptable.

91. Lastly, with regard to net contributor status, her delegation was not in favour of reopening decision 91/29. It set great store by the concept of graduation and would therefore encourage all net contributor countries to respect that decision and to conform to it.

92. Mr. LONG Yongtu (China) said that his delegation supported the application by the newly independent States for recipient status, which was in accordance with the principle of universality of UNDP. He hoped, however, that UNDP would seek new resources to meet the needs of those States.

93. Mr. BOZTSSOV (Bulgaria) said that, since most of the points he wished to make had already been addressed by previous speakers, he would simply express his delegation's awareness of the difficulties, and state its commitment to the principle of universality of UNDP. It was thus willing to welcome the new applicants with the appropriate status.

94. Mr. ELLIS (United Kingdom) said that his delegation welcomed the Administrator's report (DP/1992/22) and the realistic approach adopted by the Secretariat. However, it did not share the concern expressed by some delegations about the use of the $100 million programme reserve. The Council could not expect the reserve to be used up evenly over the course of a cycle.

The use for which it was intended had been envisaged when the reserve had first been established. While it was not necessary to adjust the IPFs for the time being, his delegation endorsed the comment by the representative of Finland on behalf of the Nordic countries that the Administrator was empowered to reduce IPFs on a pro rata basis, a possibility which should be borne in mind at the time of the mid-term review.

95. His delegation also supported the comments made by some delegations regarding the use of the $138 million additional reserves for the least developed countries. It did not believe in establishing two classes of LDCs but thought that the money should be spread evenly among all of them. Lastly, if countries were qualified under the criteria of decision 90/44 for recipient status, they should certainly be granted it.

96. Mr. VENERA (Czech and Slovak Federal Republic) said that his delegation wished to associate itself with those delegations which were in favour of granting IPF status to the eight newly independent States of the former Soviet Union. The Secretariat should take the appropriate steps forthwith.

97. Mr. LENZI (Italy) said that his delegation supported the request by the members of the CIS and the Baltic countries for recipient status. As other States might also apply for such status, he thought it advisable that a revision of the IPFs and SPR should be undertaken at the mid-term review in 1994. The Administrator should adopt the pragmatic approach suggested in paragraphs 21 and 22 of his report (DP/1992/22) bearing in mind the considerations mentioned by the United States delegation, with which his own delegation concurred.

98. Mr. TAL (Director, Planning and Coordination Office, UNDP), speaking in response to some of the questions asked and comments made by delegations, said, in connection with the request by the representative of the Libyan Arab Jamahiriya for information on the establishment of IPFs for the fifth cycle, that the Secretariat had been guided by the principle laid down in paragraph 8 of Governing Council decision 91/29 that, for the purpose of calculating fifth programming cycle entitlements, all payments relating to the fourth cycle would be finalized by 31 December 1991. He recognized that in some cases, including that of Libya, payments had been made for the fourth cycle at a later date and the Administrator had therefore suggested that the Governing Council might wish to consider extending the deadline to 31 December 1992.

99. With regard to the remarks made by the delegation of Germany and some others concerning the utilization of unallocated accounts, he said that the idea of retaining the $138 million for allocation to the least developed countries had been supported by many delegations. It would be a comparatively easy exercise to apportion that amount to all the LDCs, in which case the "bonus" would be approximately 7.2 per cent of the IPFs rather than 8.4 per cent as currently calculated.

100. He agreed with the representative of the Netherlands that it would be easier to adjust the programme upwards rather than downwards. In order to avoid creating any disruption in the programme, a minimum period of one year would be needed.

101. Referring to comments by the representative of Finland on behalf of the Nordic countries relating to realism in financial planning, he said that the impact of programmes could result in increased contributions. In that connection, the fact that the cost-sharing contributions of recipient Governments had been increasing considerably over the past few years, seemed to reflect their full confidence in UNDP.

102. He agreed with the Japanese delegation that the application of paragraph 38 of decision 90/34 was always an option. In that connection, to avoid a negative impact at an early stage of the cycle, it might be preferable to wait until the mid-term review.

103. With regard to the United States delegation's request for information on the possible impact of foreign exchange rates, the Secretariat preferred not to try to estimate future trends in foreign exchange rates. It was pleased to hear that the United States delegation did not consider it necessary for the moment to adjust the IPFs and SPR in a downward direction. The assumption of a 4 per cent growth rate was not merely in terms of changes in the purchasing power of the United States dollar but was also based on the historical record of contributions to UNDP. For example, the record for the period 1981-1991 indicated that contributions had increased at an annual rate of about 4 per cent and the Secretariat had thought it possible to use that rate as a conservative basis.

104. The representative of the United Kingdom had endorsed the idea that the Administrator was empowered to reduce IPFs on a pro rata basis. The Administrator could indeed do so if necessary. The representative of the United Kingdom had also supported the redistribution of the $138 million to all the LDCs. The Secretariat fully agreed that the reserve need not necessarily be used on an equal year-by-year basis.

105. The PRESIDENT said that the Council had concluded its general discussion on programme planning and matters relating to the programme cycles, apart from a request by the delegation of Yemen to make a statement at a later stage. If he heard no objection, therefore, he would take it that the Council agreed that the Drafting Group should begin its preparation of draft positions on those subjects.

106. It was so decided.

The meeting rose at 5.20 p.m.